

ILCC News

Newsletter of the Illinois Liquor Control Commission

A message from ILCC Director Chima Enyia



Chima Enyia
Director,
Illinois Liquor
Control Commission

The new school year has arrived for students in Illinois! We wish every student the best of luck and much success in all of their endeavors. The Illinois Liquor Control Commission (ILCC) would like to remind students, parents, teachers, and liquor establishments of Illinois' zero tolerance law when it comes to underage possession and consumption of alcohol. We encourage parents, teachers, and peers to talk to one another about good decision making and avoidance of alcohol use. Liquor establishment employees should be on alert for minors attempting to purchase alcohol or entering establishments with a fake ID. Enforcing a good carding policy and active participation in ILCC's Beverage Alcohol Sellers and Servers Education and Training (BASSET) are proven measures that help prevent sales to minors.

During the spring legislative session, various bills with significant impact on the alcoholic beverage industry were successfully passed by the Illinois Legislature. We encourage you to give your attention to the legislative section of this newsletter and stay informed of the changes to Illinois liquor laws.



Division News

LICENSING

Online Brand Registration....2
Special Events3

ENFORCEMENT & INVESTIGATIONS

Violation Spotlight –
Records & Invoices.....4

LEGAL

Legislative News.....5
New Advisory Opinion
Request Form7

INDUSTRY EDUCATION

Utilizing behavioral and
nonverbal cues.....8

BASSET

BASSET Issues and
Information9
Newly Licensed
BASSET Providers9

COMMUNITY NEWS AND EVENTS

ILCC Teams up with
community groups in
Sticker Shock campaign....10
Upcoming Events10

MATERIALS & BULLETINS

Order the Licensee Retail
Information kit.....11



Online Brand Registration

ILCC encourages licensees to register their brands online through MyTax.illinois.gov, our online account management system. There are NO FEES to register your brands online.

How do I register my brands online?

1. Log into your [MyTax account](#).
2. Under your "Accounts" tab, click on the LCC account hyperlink for your license.
3. Click LCC next to the active license number
4. Locate "Brand Registration" under I WANT TO
5. Enter the required information and provide attachments as requested (the option to add attachments is on the left sidebar menu).

Once you are logged in below are the screens you will see

BRAND REGISTRATION INFORMATION

You are required to provide a copy of your Certificate of Label Approval for the following changes/updates. Brand Registration; Combination Packaging; Formula Change; Gift Packaging; Label Revision; Packaging Change; Promotion; Proof Change; Size Change; This Certificate of Label Approval that is issued by the Federal Tax and Trade Bureau must contain identical brand name, fanciful name and product type as entered below. If you are not the actual manufacturer of the product you must provide an appointment letter from the manufacturer. If you are a distributor, you MUST provide a document from the manufacturer that must contain permission by the manufacturer authorizing the distributor to register the specific brand with the ILCC.

Brand name
Required

Fanciful name
Required

Type of product
Required

Type of notification
Required

Time period
Required

☐ I hereby certify that I'm an actual manufacturer of the product.
 ☐ I hereby certify that I'm a primary United States importer of product which is manufactured outside of the United States.
 ☐ I hereby certify that I'm a duly registered agent of the manufacturer or duly registered agent of the primary U.S. importer of product.

DISTRIBUTOR LIST

You are required to provide a list of distributors and applicable territories. The distributor field requires that you enter you enter the distributor's liquor license # in this format 2A-0 (the distributor's license number that is reflected on our website without the fiscal year and you must add a 0 to beginning number) The distributor license number is available on our website at www.state.il.us/ilcc under the license look-up feature.

	License	Distributor name	City	County	Zip code	Entire state
<input type="checkbox"/>						<input type="checkbox"/>

☐ All distributors are included in the table above.
 ☐ I have excluded distributors due to type of notification.

ATTACHMENTS

NOTE: You are required to include following attachments to your registration. Please use the Add button on the left side to do so. Appropriate checkboxes will automatically checked after newly added attachment is listed on the left side.

☐ Appointment Letter from Manufacturer
 ☐ Brand Registration Permission (Appointment Letter from Manufacturer authorizing Distributor to Register Products)
 ☒ Certificate of Label Approval Required
☐ Territory Map

ILCC News

Article suggestions are welcome!

The ILCC Commission welcomes your input to enhance the *ILCC News*. If you have a suggestion for an article or topic or have a helpful hint to share with other licensees, please contact the ILCC's Chicago Office.

ILCC News is published by the Illinois Liquor Control Commission for state liquor licensees, local government officials, industry associations, and related government agencies.

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Special Events

As we head into fall and the start of the holiday season, special event liquor licenses and special use permits continue to be main topic of interest. A few points to remember:

- A **special event** means an event conducted by an educational, fraternal, political, civic, religious, or non-profit organization.
- A **special events retailer** means an educational, fraternal, political, civic, religious, or non-profit organization that sells or offers for sale beer or wine, or both, only for consumption at the location and on the date(s) designated by the special event retailer license.
- A **special use permit** means a license for use by a retailer to allow for the transfer of alcoholic beverages from an existing licensed retail premises to a designated site for a specific event.
- A **special event liquor license** is not required for a private party.
- The ILCC defines a **private party** as an event where attendance is by invitation only, the host controls access to the premises, and alcoholic beverages are provided to invited guests at no charge.

Special event licenses and special use permits can both be renewed online by visiting mytax.illinois.gov.

If you have a MyTax Illinois account:

1. Log into your [MyTax account](#).
2. Click into your LCC account.
3. Locate "Renew Liquor License" under the "I Want To" option.
4. Complete all the tabs & attach the required documents.
5. Payment will be required once all the tabs are completed.

If you do not have a MyTax Illinois account:

1. Visit mytax.illinois.gov and click the "Sign up Now!" button.
2. For full activation information, click on the *Guide to Creating a MyTax Illinois Account* for additional help.
3. If you are not able to create or access your *MyTax Illinois Account*, please contact our office at 312 814-2206 or 217 782-2136

New license-lookup feature on ILCC website – at a glance

The ILCC's second quarter newsletter detailed the new public license look-up feature on the ILCC website. Below is a quick summary to help you navigate through the new process.

- Note and update your bookmarks for the [licensing lookup tool](#).
- All license statuses are now included in the new version.
- The update uses a single search field that looks for any of your search parameters in any field that can be searched.
- Uses "refiners" to narrow your initial results. Refiners include status, application status, retail type, and county.
- Use the Advanced Search hyperlink found at the bottom of the page for a more detailed search.
- View the full licensee details by clicking on the DBA name.
- Return to previous search results by clicking the link, or start a new or advanced search by the providing new search information.

We welcome your feedback as we strive to look for ways to improve lookup functionality and to work towards data that is as real-time as possible.

VIOLATION SPOTLIGHT – Records & Invoices

By Les Peterson, Chief of Enforcement

One of the most time consuming, yet a vitally important part of an inspection is the review of your books and records. In the statute for books and records is found in 235 ILCS 5/6-10 – Books and records available for investigation and control; maintenance. There are two types of books and records that may be requested: Alcohol purchase invoices and general books and records, such as contracts, emails, bank statements, lines of credit, credit card statements, etc.

Alcoholic purchase invoices – these are the most common documents that will be requested during an inspection. The statute states that “all original invoices or copies thereof covering purchases of alcoholic liquor must be retained on the licensed premises for a period of 90 days after such purchase.” The only exception to this law is when a 90-day waiver has been issued by the ILCC. To ensure compliance, the ILCC recommends that you retain alcohol invoices for the current month, plus the three full months preceding the current month. That way, you will always have at least 90 days of invoices on hand.

One common issue ILCC investigators find regarding alcohol purchase invoices, is businesses giving their invoices to an accountant or taking them home to do taxes. Because the required invoices are not available, this constitutes a violation and may incur further investigation. One way to avoid this situation is to make copies of all invoices that are received. Legible copies will always be accepted by the ILCC. Another option is to ask your distributors for two copies. It is common practice for the distributors to print invoices on-site. Most will gladly print a second copy for you to keep. The best practice is to keep a separate accounting folder and ILCC folder for each month. It is also important to make sure all employees know where to find your invoices. If the employee on duty is unable to locate the invoices before the completion of an inspection, it may be marked as a violation. Additionally, you may be required to produce those documents and deliver them to the investigator before renewing your license.

Organizing your invoices in an orderly manner by date is important. Trying to track down and organize them while the investigator is present can be stressful and time consuming. Proper organization may also save you from receiving a potential violation. If an investigator cannot

review the invoices in a reasonable amount of time, a violation may be issued. One example of this is having a grocery bag with every type of receipt you have crumpled up. If the investigator must spend an excessive amount of time sorting through those receipts to find the correct ones, a violation may be issued.



The second type of books and records are the general business records you may accrue in the day-to-day operations of your business. The law states “Such books and records need not be maintained on the licensed premises, but must be maintained in the State of Illinois.” When requested, the ILCC will mail you a “Notice to Produce Books and Records.” This letter will be mailed to the address you provided the ILCC when you applied for or renewed your state liquor license. The letter will detail the type of books and records required, where to send them, and the deadline for submission. You will also be given the contact information for the investigator and supervisor assigned. Refusal or failure to respond to this notice will result in a \$1,000 Offer in Compromise and a freeze on your state liquor license until the books and records are submitted.

By employing just a few simple techniques, you can save a bit of grief. Maintaining well-organized books and records, as well as being aware of the legal requirements for books and records, can reduce the risk of some violations and penalties, as well as ensuring your business operates more smoothly when ILCC conducts a review.

Legislative News

Changes to Return Allowances for Special Use Permit Licenses and Caterer Retailer Licenses

Effective June 14, 2019, **Public Act (P.A.) 101-0016** amends 235 ILCS 5/5-1(p), and (q), regarding the return of unused, salable beer. The new law permits a distributor to offer credit or a refund to the holder of a special use permit or a caterer retailer, under certain circumstances. Nothing in the act prohibits product returns which are authorized under 11 Illinois Adm. Code 100.245. The new law permits Illinois distributors to make deliveries directly to the off-site locations utilized by special use permit licensees and caterer retailer licensees. *P.A. 101-0016 does not permit the return of wine or spirits.*

- Q:** I am an Illinois licensee who has obtained a special use permit. Am I allowed to return unused, salable beer that was purchased from a distributor for a refund or for credit on my account?
- A:** Yes. However, the return of product would be limited to product which was delivered directly to the off-site location and not product delivered to your primary location.
- Q:** I am an Illinois caterer retailer licensee. A recently booked event only used three of the five kegs that they ordered. Am I allowed to return that product to my distributor for a refund or for credit on my account?
- A:** No. P.A. 101-0016 only permits a caterer retailer to return product when the off-site event is an outdoor event which was cancelled solely due to an "Act of God."
- Q:** I am an Illinois special event retailer. Due to inclement weather during our event, we have a lot of unused product. Are we able to return this product?
- A:** Yes. P.A. 101-0016 does not change what a Special Event Retailer can return. You can return unused, salable beer to your distributor(s) for a refund or credit on your account. See [P.A. 101-0016](#) for more specific details.



Filling of Growlers/Crowlers

P.A. 101-0517 allows on-premises retailers, brewers, class 1 brewers, class 2 brewers, and brew pubs to fill growlers and crowlers. This law provides specific requirements on the cleaning, filling, and sealing of the growlers.

- Q:** I am a class 1 brewer, can I pre-fill growlers?
- A:** Yes. You may fill growlers at any time. However, prefilled growlers are considered to be "bottles" by the Tax and Trade Bureau (TTB) and are subject to the federal labeling requirements.
- Q:** Is it required that I clean a growler that is brought in by the patron?
- A:** Yes. Before initially filling the growler or crowler or refilling the growler, the on-premises retail licensee or licensee's employee shall clean and sanitize the growler or crowler.
- Q:** I'm an on-premises consumption retailer, can I pre-fill growlers?
- A:** No. The language of this law requires you to only fill at the time of sale.
- Q:** Can I sell a growler that has not been sealed?
- A:** No. This law requires that the growler be sealed with a one-time use, tamper-proof seal.

Legislative News (continued)



A customer that takes a growler without this type of seal and transports it in a vehicle, could be subject to a charge of illegal transportation of alcohol in a motor vehicle.

Q: I am an on-premises retailer, do I have to label the growler?

A: Yes. The law requires that you place a label or tag which contains the following:

- 1) the brand name of the product contained in the container;
- 2) the name of the brewer or bottler;
- 3) the type of product (e.g., beer, ale, lager, bock, or stout);
- 4) the net contents;
- 5) the name and address of the licensee that cleaned, sanitized, labeled, and filled or refilled the growler; and
- 6) the date the growler was filled or refilled.



Licensing of Craft Distillers and Distilling Pub

Effective August 23, 2019, P.A. 101-0482 amends 235 ILCS 5/5-1(a) with regard to the licensing of craft distillers, adds 235 ILCS 5/5-1(u) creating distilling pubs, and adds 235 ILCS 5/5-1(v) creating craft distiller warehouse permits. The law will also allow class 1 craft distillers and class 2 craft distillers to sell their own spirits and vermouth at retail.

Q: I am currently licensed as a craft distiller. What do I do?

A: You can either wait until your current license is up for renewal or you can choose one of three options and convert your current license now:

Option 1: Distilling pub license with full-retail privileges (no self-distribution)

Option 2: Distiller license with a class 1 craft distiller license – allows for self-distribution and manufacturing of no more than 50,000 gallons annually.

Option 3: Distiller license with a class 2 craft distiller license – allows up to three distilling pub locations, no self-distribution, and the manufacturing of more than 50,000 gallons, but no more than 100,000 gallons annually.

The cost for a distiller license is \$5,000. If you choose to convert your current distiller license, you pay the difference of \$2,500 and keep your current expiration date. If you do not choose to convert, you can choose to apply for a new distiller license and pay the \$5,000 annual fee and be issued a new expiration date that will cover approximately a 12 month licensing period. Please contact the Licensing Division for further clarification.

Q: I want to self-distribute and own distiller pubs. Is that possible?

A: No. The law allows you one or the other, but not both.

Q: I'm a licensed distiller. Can I sell at retail?

A: No. Only class 1 craft distillers and class 2 craft distillers may sell at retail from their licensed premises.

Q: I am a class 2 craft distiller. Can I sell other manufacturer's spirits at my licensed premises?

A: No. Class 1 craft distillers and class 2 craft distillers may only sell their own spirits and vermouth purchased from a distributor. Distilling pubs may sell all forms of alcoholic beverages.

New Advisory Opinion Request Form

by Pam Paziotopoulos, General Counsel ILCC

Are you an industry member or consumer seeking guidance on Illinois regulatory changes, statewide liquor policy, or just want to make sure that you are in compliance with Illinois liquor laws and rules?

The Illinois Liquor Control Commission is proud to introduce the [Advisory Opinion Request form](#)! The form is free, and easy to use. You will need the following information ready to fill out the form.

- Your name/Your business's name
- Your address/Your business's address
- A valid email address (where you can be contacted)
- The question or issue to be addressed
- Any applicable statutes, regulations, ordinances, or other authority that apply to your question
- Your proposed response, comment, or basis for a reconsideration request

If you run out of room, don't worry! You can attach additional pages, documentation, research, or other evidence that you want the ILCC staff to review. You can either save the completed form as a pdf and email it to ILCC@illinois.gov, or print the form and mail it to the ILCC office in either Chicago or Springfield.

Once we receive your Advisory Opinion Request form, we will contact you in a timely manner regarding your request for an ILCC opinion.

Industry members – please note that the Advisory Opinion Request form is the **only** way to contact the ILCC regarding regulatory issues impacting your business. Any phone calls to ILCC staff regarding an advisory opinion will be redirected to the new online Advisory Opinion Request form.

Legal Division Stats:

From May to July 2019, the ILCC Legal Division

- resolved more than 350 cases,
- conducted more than 90 pre-disciplinary conferences, and
- held more than 90 Sale of Alcohol to Minor Settlement conferences.

Interesting Inquiries:

The Legal Division receives and answers many different inquiries from licensees. The following are a sample of the questions we receive and their answers:

Q: Can a license be utilized as collateral when obtaining a loan from a bank?

A: No. Section 6-1 of the Liquor Control Act of 1934 states: "A license shall be purely a personal privilege...nor shall it be alienable or transferable, voluntarily or involuntarily, or subject to being encumbered or hypothecated."

Q: Can a caterer retailer license holder be hired to provide bar service without food?

A: No. Section 1-3.34 of the Liquor Control Act of 1934 restricts a caterer retailer license holder to only serve or sell alcohol if it is an incidental part of food service.

Q: What is the minimum volume of alcohol that can be sold?

A: Section 6-26 of the Liquor Control Act of 1934 requires that the minimum volume of unmixed spirits is 1 oz. and sold in a container which holds at least 1 oz.

Utilizing behavioral and nonverbal cues to recognize potential problems

By Lee J. Roupas, ILCC BASSET Program Manager

Owners, managers, and servers play an important role in risk management. Owners have the highest level of responsibility for a business, while managers and servers are entrusted with the responsibility of keeping an establishment safe and in compliance with the law.

Most alcohol-related problems that occur inside a licensed premises can be avoided if proper techniques are applied in recognizing behavioral and nonverbal cues that a customer may display. The key is to recognize potential problems and address them before they occur. To adequately prevent potential problems, employees of liquor establishments must constantly be aware of their surroundings, observing the details happening around the establishment.

Observation begins with practicing good communication skills when interacting with customers. Employees are the first line of defense, interacting with customers when checking their IDs before entering the establishment, or before they order food or drink. This initial conversation is a prime opportunity to observe any signs of impairment.

Good observation and communication skills come naturally for some people. Others may need to develop the skills through training. Seller/server training programs include these skills as part of their curriculum to equip participants with the ability to observe both verbal and nonverbal behavior when they encounter someone intoxicated, or a minor trying to gain access into the business or make an illegal purchase of alcohol.

A server or bartender must constantly pay attention to their customers and continually reevaluate patrons' behavior. If there are vast changes in behavior, such as changes in mood, becoming aggressive, or slurring speech, recognize these behaviors as a requirement by law to stop serving alcohol. The following is a list of visual and behavioral cues that indicate liquor-establishment personnel should stop the service of alcohol:

- Crude behavior
- Confrontational
- Disruptive to other guests
- Poor coordination
- Stumbling when walking
- Difficulty performing routine tasks – handling money, difficulty pulling out an ID.
- Sleepiness
- Repeating themselves in conversation
- Arguing or complaining
- Lack of focus and no eye contact

There are also behavioral cues that servers, bartenders, and bouncers must recognize when it comes to minors trying to gain access inside a liquor establishment or attempting to purchase alcohol:

- Acting nervous
- Not making eye contact
- Being overly friendly or trying to act older
- Showing their ID too quickly and not taking it out of their wallet
- Using their cell phone as a distraction so you can't look at them to notice the facial features on their ID card.

The safety of the establishment relies heavily on recognizing visual and nonverbal cues to recognize an intoxicated patron and take appropriate action. Liquor establishment owners, managers, and employees must always be on alert for these behaviors, utilize intervention and prevention techniques to discontinue service, and apply the steps for properly checking IDs.

BASSET Issues and Information

This is the first year in the BASSET Program's 30-year history that Illinois has been a mandatory server training state. In the past year, ILCC BASSET program participants increased by 20,000. The objective is to continue to save lives, save jobs, and save businesses. BASSET providers play a big role in that. Here are a few reminders when administering your programs.

Online Providers – Please make sure you have a helpline or customer service email address to ensure you will be available in the event participants have technical difficulty or questions.

BASSET Rosters – Make sure participants include apartment numbers or suite numbers for businesses.

BASSET Providers – If you receive calls for lost BASSET cards, give your students their student numbers then direct them to the [ILCC website](#) to print them.

On Premises vs. Off Premises – If employees work at an on-premises establishment (bar, restaurant, nightclub,

tavern, sports venue, or movie theater), a four-hour on-premises course is required. Employees who work in an off-premises establishment, (packed goods, liquor stores, grocery stores, or gas stations), must take a three-hour off-premises course only if the training is required by local ordinance.

Volunteers and Special Events and BASSET training –

A volunteer serving alcohol at a charitable function is not required to take BASSET training, as defined under 235 ILCS 5/6-27.1, Responsible alcohol service server training. Other exceptions under Section 6-27.1 include distributors or importing distributors conducting product sampling under Section 6-31 or a registered tasting representative (11 Illinois Adm. Code 100.40) conducting a tasting (11 Illinois Adm. Code 100.10), and instructors engaged in training or educating on the proper technique for using a system that dispenses alcoholic beverages.



Newly Licensed BASSET Providers in 2019

- A Plus Server Education
- Ashley Kent Marketing
- At Home Prep Course online
- Bartenders RUS
- BASSET on The Fly
- Compass Group
- Estrategy Solutions
- Hyatt Corp. Chicago
- Lee County Sheriff's Office
- Ovations Food Services
- Safeway Certification
- Serving Life Behind Bars

ILCC Teams up with community groups in Sticker Shock Campaign

COMMUNITY NEWS & EVENTS

On June 14, 2019 the ILCC collaborated with Parents and Teens Together (P.A.T.T.), the DuPage County Prevention Leadership Team (PLT), Alliance Against Intoxicated Motorists (AAIM), and the Carol Stream Police Department to conduct their second annual regional "Project Sticker Shock," a youth-led initiative designed to change adult attitudes about selling and providing alcohol to minors. The events took place at Jewel-Osco stores in Carol Stream, Naperville, Lombard, Mundelein, Buffalo Grove, Oak Park, Elgin, and Joliet.

Local youth volunteers from these communities participated to help "shock" consumers of alcohol and bring attention to the issue of underage drinking and the adults who provide alcohol to minors. These youth and adult volunteers placed bright orange bottle hangers on beer, wine and other liquor products that will remind adult consumers that their actions matter and that preventing underage drinking is everyone's responsibility.

"Adults need to set a better example for kids," said Doug Petit of P.A.T.T., a non-profit organization dedicated to providing positive alternatives to underage drinking. "When adults supply alcohol to youth it sends them a very mixed message. Underage drinking is not only a teen problem; it is a community problem."



"Project Sticker Shock" sends a compelling message to parents and other adults about underage drinking, especially since that message is coming from teens," said Jordan Esser, Project Coordinator of PLT, a community coalition working to reduce youth substance use and increase mental wellness among DuPage County youth. The ILCC will continue to partner with community groups in efforts to prevent youth access to alcohol in liquor establishments.



Upcoming Events

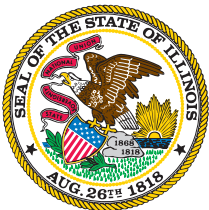
- **September 16, 2019**
Illinois Licensed Beverage Association (ILBA) Convention
- **September 19 - 21, 2019**
Illinois Municipal League Conference
- **November 14, 2019**
College Town Summit

Order the Retail Licensee Informational Packet

The **Retail Licensee Informational Packet** contains a variety of FREE materials to ensure you comply with the law.



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JB Pritzker
Governor

Donald G. O'Connell
Acting Chairman

Tom Gibbons
Donald G. O'Connell
Patricia Pulido Sanchez
Melody Spann Cooper
Commissioners

College Town Summit
SAVE THE DATE!
The 11th Annual College Town Summit
will be held at the
University of Illinois in Champaign.
Thursday, November 14, 2019
MARK YOUR CALENDARS!

We have moved!

The ILCC Springfield office has moved. The new location is across the street from our old offices in the Willard Ice Building.

The New Address:
Illinois Liquor Control Commission
300 W. Jefferson, Suite 300
Springfield, IL 62702

**Check out the ILCC's
social media channels**

